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FRM-CASEY; 1ST LD; A216;400

FEOS: TOP 10 GRAFS NEW WITH WHITE HOUSE COMMENT; EDITS 11TH GRAF FOR
TRANSITION; PICKS UP 2ND GRAF PREVIOUS; EDITS 25TH GRAF TO REFER
DIRECTLY TO HUGEL

URGENT

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WASHINGTON (AP) - PRESIDENT REAGAN BELIEVES CIA DIRECTOR WILLIAM J.
CASEY "DEFINITELY OUGHT TO REMAIN ON THE JOB" IF HIS ONLY FAULT WAS
POOR JUDGMENT IN PICKING THE CHIEF OF THE AGENCY'S CLANDESTINE
SERVICE; A WHITE HOUSE SPOKESMAN SAID SATURDAY.

HOWEVER, SAID PRESIDENTIAL SPOKESMAN DAVID GERGEN; IF THERE ARE
OTHER FINDINGS AGAINST THE EMBATTLED CIA DIRECTOR - SUCH AS NEW
EVIDENCE OF WRONGDOING IN HIS PAST FINANCIAL DEALINGS - THE PRESIDENT
WOULD HAVE TO REVIEW THE MATTER.

REAGAN'S POSITION, RELAYED BY GERGEN, PUTS THE PRESIDENT FIRMLY AT
ODDS WITH SEN. BARRY GOLDWATER, R-ARIZ., CHAIRMAN OF THE SENATE
INTELLIGENCE COMMITTEE.

GOLDWATER PUBLICLY CRITICIZED CASEY AND CALLED FOR HIS RESIGNATION
LAST WEEK FOR SELECTING MAX HUGEL, A BUSINESSMAN WITH LITTLE
EXPERIENCE IN THE INTELLIGENCE FIELD, FOR THE HIGHLY SENSITIVE JOB OF
SPYMASTER. HUGEL ALREADY HAD RESIGNED IN THE WAKE OF CHARGES ABOUT
HIS OWN BUSINESS DEALINGS.

CASEY'S BUSINESS BACKGROUND IS BEING REVIEWED BY THE INTELLIGENCE
COMMITTEE IN THE WAKE OF A JUDGE'S FINDING THAT HE AND OTHER DIRECTORS
OF A NOW-DEFUNCT COMPANY KNOWINGLY MISLED STOCKHOLDERS.

AFTER CONFERRING WITH THE PRESIDENT, GERGEN TOLD REPORTERS: "IF THE
INTELLIGENCE COMMITTEE CONCLUDES THAT THE ONLY SUBSTANTIAL CHARGE
AGAINST MR. CASEY INVOLVES HIS JUDGMENT IN THE APPOINTMENT OF MR.
HUGEL, THE PRESIDENT BELIEVES THAT BILL CASEY DEFINITELY OUGHT TO
REMAIN ON THE JOB."

ASKED WHY REAGAN'S SANCTION DID NOT EXTEND TO CASEY'S BUSINESS
DEALINGS, GERGEN REPLIED: "WE'RE NOT TRYING TO MAKE THAT KIND OF
BROAD GENERALIZATION."

"IF THERE ARE NO MAJOR NEW REVELATIONS - WHICH WE EXPECT THERE'S
NOT GOING TO BE; BUT IF BY CHANCE THERE IS, WE HAVE NO REASON TO
BELIEVE THERE IS GOING TO BE - THAT'S SOMETHING WE'LL HAVE TO ADDRESS
AT THAT TIME," GERGEN SAID.

HE SAID PRESIDENTIAL COUNSEL FRED FIELDING, WHO IS REVIEWING THE
INFORMATION BEING SUPPLIED TO THE SENATE COMMITTEE FOR ITS
INVESTIGATION, HAS FOUND NO EVIDENCE TO CHANGE HIS OPINION THAT CASEY

WAS FIT FOR THE JOB.

"THE PRESIDENT BELIEVES BILL CASEY IS A GOOD AND DECENT MAN WHO HAS SERVED THE COUNTRY WELL FOR A GOOD MANY YEARS," GERGEN SAID. "HE ALSO BELIEVES MR. CASEY IS DOING A FINE JOB AT THE CIA. IN LIGHT OF THAT BACKGROUND, THE PRESIDENT IS STANDING FIRMLY BEHIND MR. CASEY."

MEANWHILE SATURDAY, A REPUBLICAN MEMBER OF THE SENATE INTELLIGENCE COMMITTEE SAID THE PANEL WOULD MAKE "A FAIRLY QUICK EVALUATION" OF CASEY'S FINANCIAL AFFAIRS.

211 THINK: 2ND GRAF.

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